

Vision

A Special Place 

Innovation 

Successful
Development 

Environmental
Harmony 

Neighborhood
Preservation &
Community Life 

FY2014
Budget

Outstanding
Government &
Public Outreach 

World Class
Schools 

Sound Finances 

Diversity 

City of Falls Church

FY2014 BUDGET & CAPITAL IMPROVEMENTS PROGRAM

March 11, 2013

FY2014 Budget Overview

- **Complies with Budget Guidance**
- **Storm Water Improvements**
 - Stormwater Utility Fee
- **Investment in Facilities, Parks, Schools, Streets, Environment, and Infrastructure, Workforce**
- **Significant unmet needs**

Real Estate Taxes

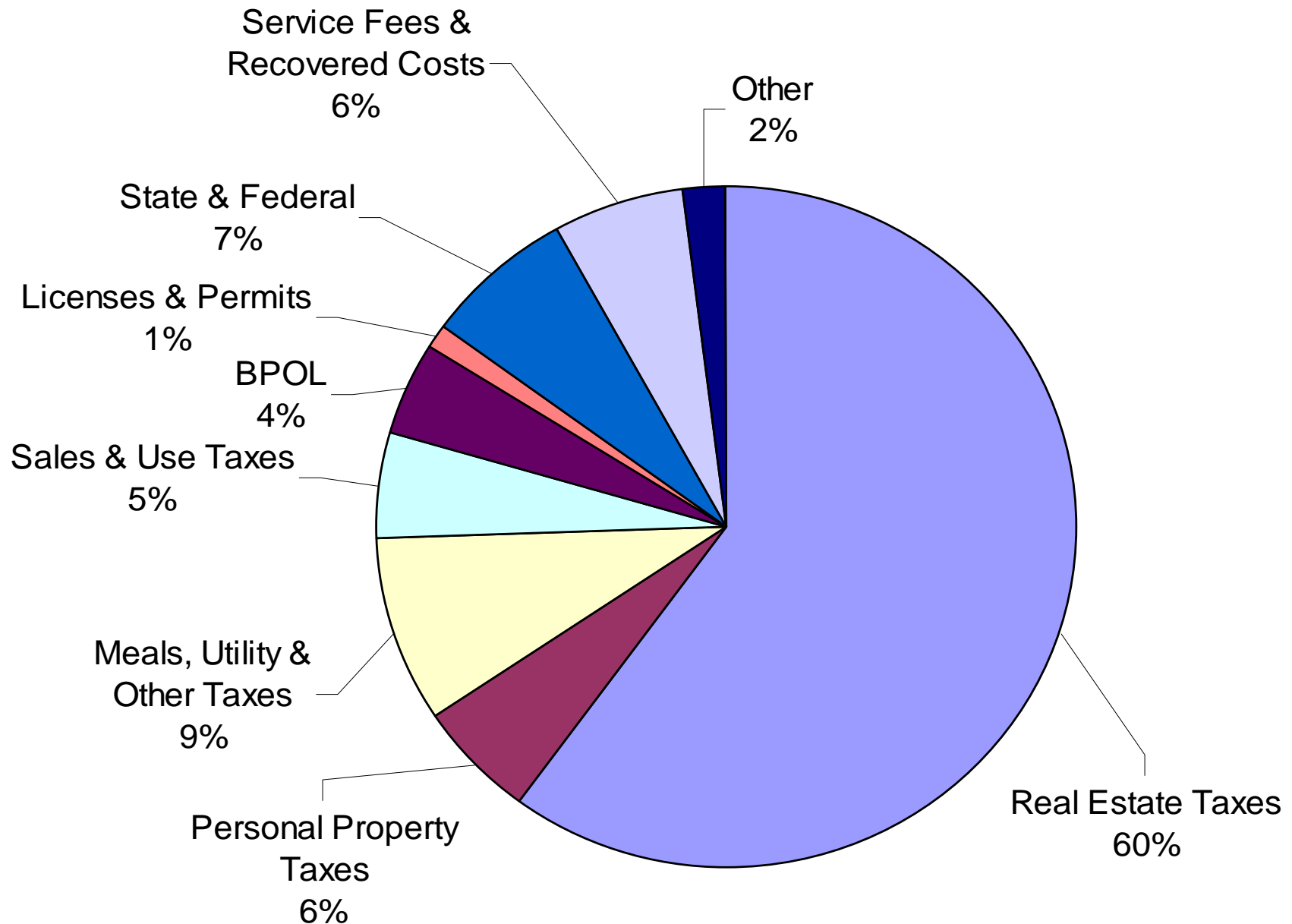
- **FY2014 Budget as presented requires tax rate of \$1.33**
 - 6 cents increase
- **Budget does not include:**
 - \$178,050: to fund FCC-TV
 - \$166,650: rent for Rec & Park use of school facilities
 - \$372,000: School Board funding for TJ Elementary Debt Service in FY2013 and FY2014
 - 2 cents required to fund these items
- **Storm Water Utility (if not in Enterprise Fund)**
 - Proposed operating budget of \$1,706,000
 - 5.5 cents to move back to General Fund
- **Unmet Needs**
 - \$2.6 million

Calendar Year 2013 Assessed Values:

Single Family:	+ 3.5%
Townhouses:	+ 3.6%
Condominiums:	+ 1.0%
Commercial:	+ 1.6%
Apartments:	<u>+ 5.0%</u>
Overall	+ 2.9%

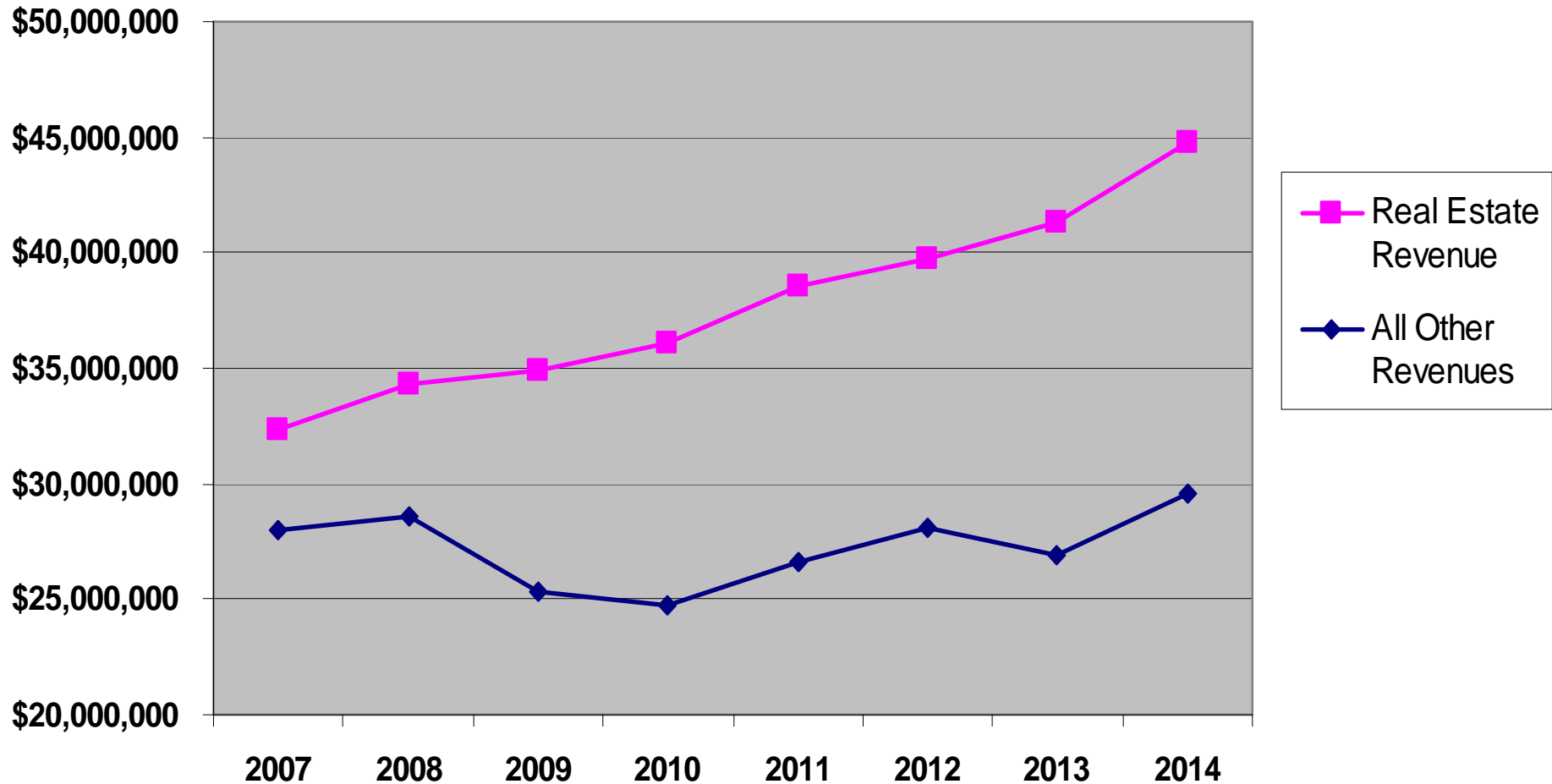
2011 Statistics: Sales to assessed value ratio: 95.7%
Co-efficient of Dispersion: 7% (4th best in Virginia!)

FY2014 Revenues

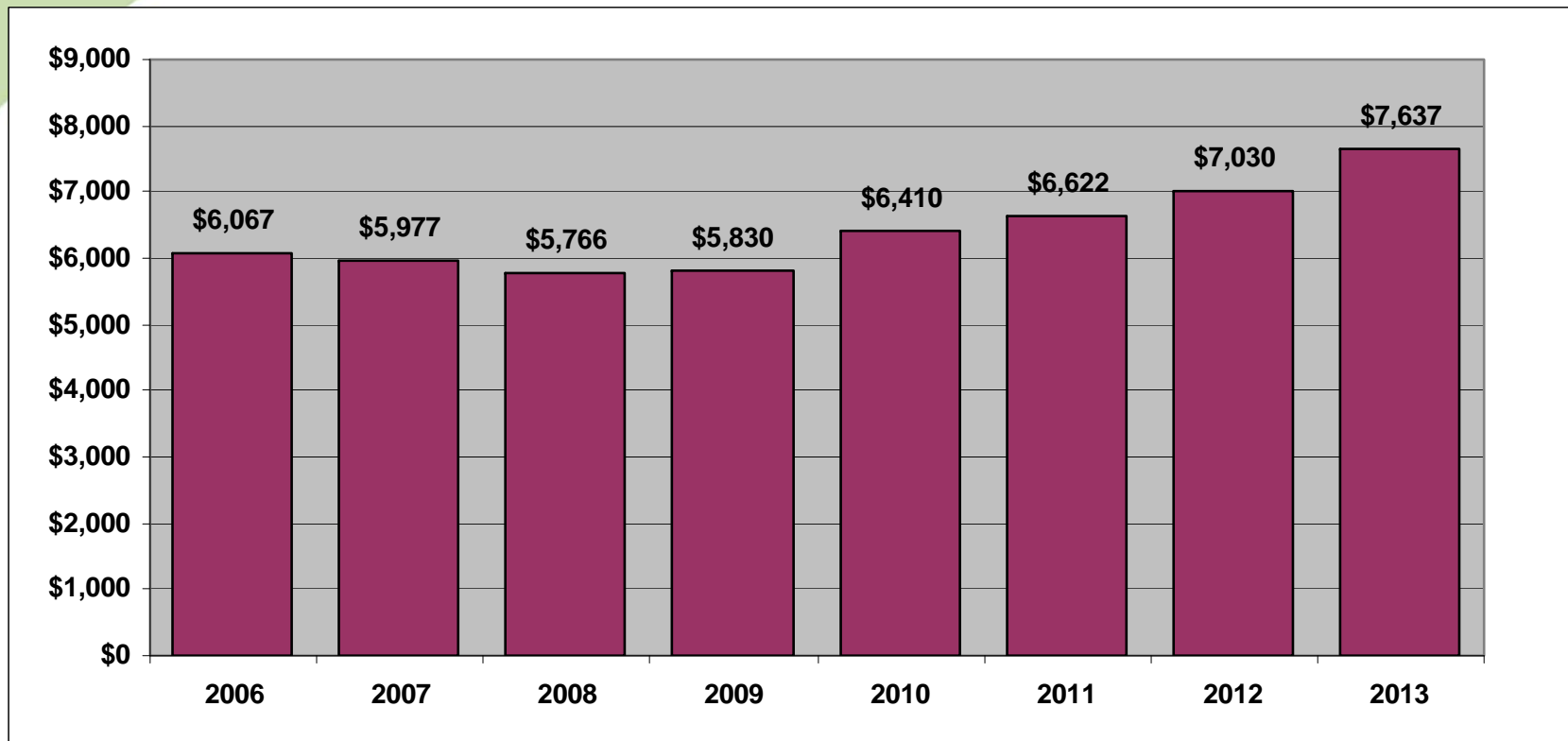


Operating Revenue Trends

(FY2005-FY2012 Actual, FY2013-FY2014 Budget)



Median Home Owner Property Tax Bill



In 2013, \$262 due to assessment growth; \$345 increase due to tax rate increase.

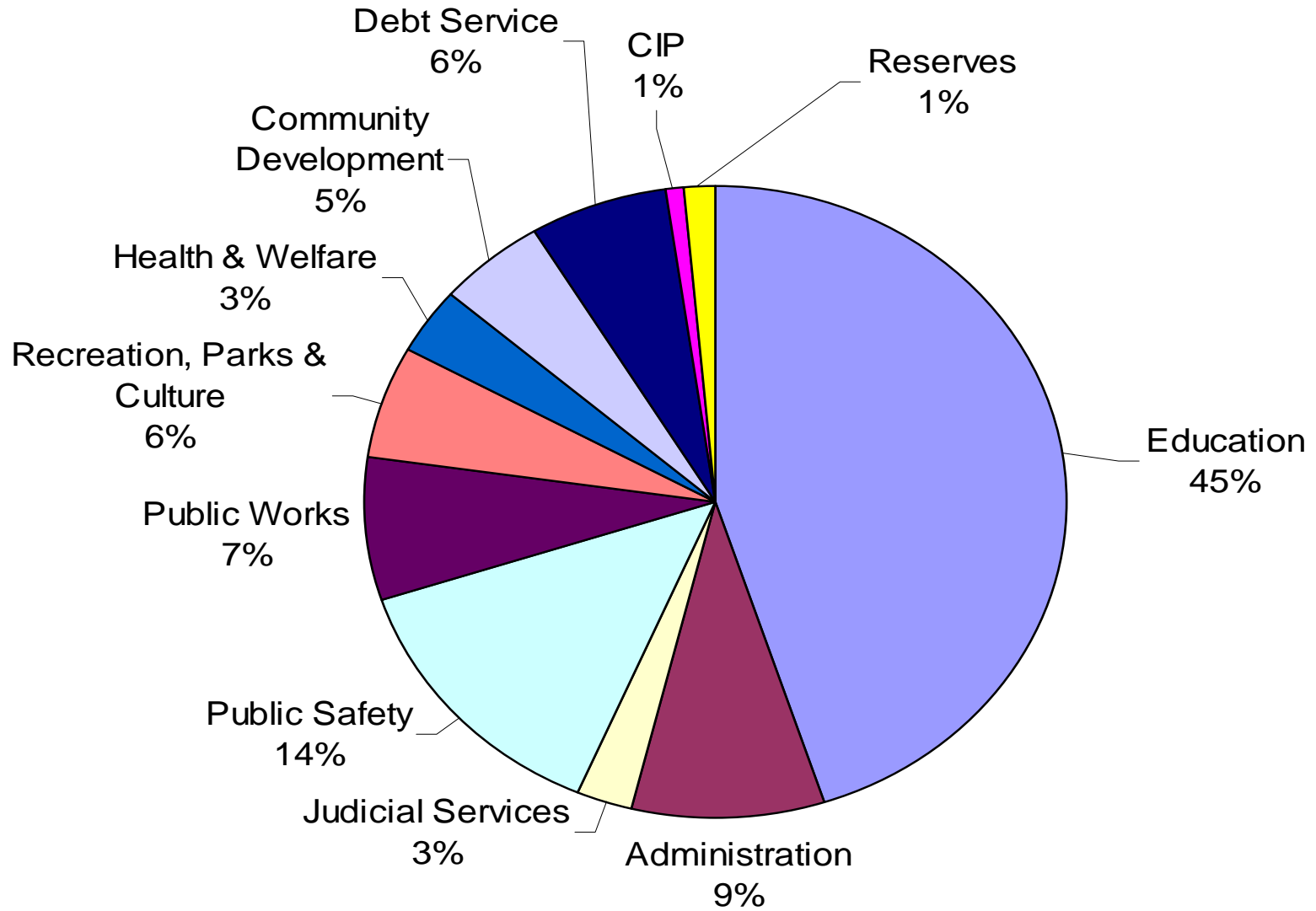
3.3% per year increase in median tax bill since 2006

Revenue Summary

(General Fund)

	Adopted FY2013	Proposed FY2014	\$ Change	% Change
Real Estate Taxes	\$41,319,000	\$44,728,000	\$3,409,000	8.3%
Personal Property	3,911,500	4,302,700	391,200	10.0%
Meals, Utility & Other Taxes	6,336,600	6,724,000	387,400	6.1%
Sales Tax	3,795,000	3,848,600	53,600	1.4%
Business Licenses	3,023,000	3,316,000	293,000	9.7%
Building Permits	543,210	776,000	232,790	42.9%
State & Federal	4,298,022	5,444,590	1,146,568	26.7%
Service Charges	4,393,772	4,467,985	74,213	1.7%
Other	1,697,600	1,378,500	(319,100)	-18.8%
Total	\$69,317,704	\$74,986,375	\$5,668,671	8.2%

FY2014 Expenditures



Expenditure Summary

(General Fund)

	Adopted FY2013	Proposed FY2014	\$ Change	% Change
General Government	\$ 32,590,376	\$ 33,870,535	\$ 1,280,159	3.9%
Grants	473,073	1,416,686	943,613	199.5%
Debt Service	4,397,379	4,623,554	226,175	5.1%
School Transfer	29,903,800	33,775,600	3,871,800	12.9%
PAUG & Capital Reserves	853,076	1,100,000	246,924	28.9%
Fund Balance Restoration	1,100,000	200,000	(900,000)	-81.8%
Total	\$ 69,317,704	\$ 74,986,375	\$ 5,668,671	8.2%

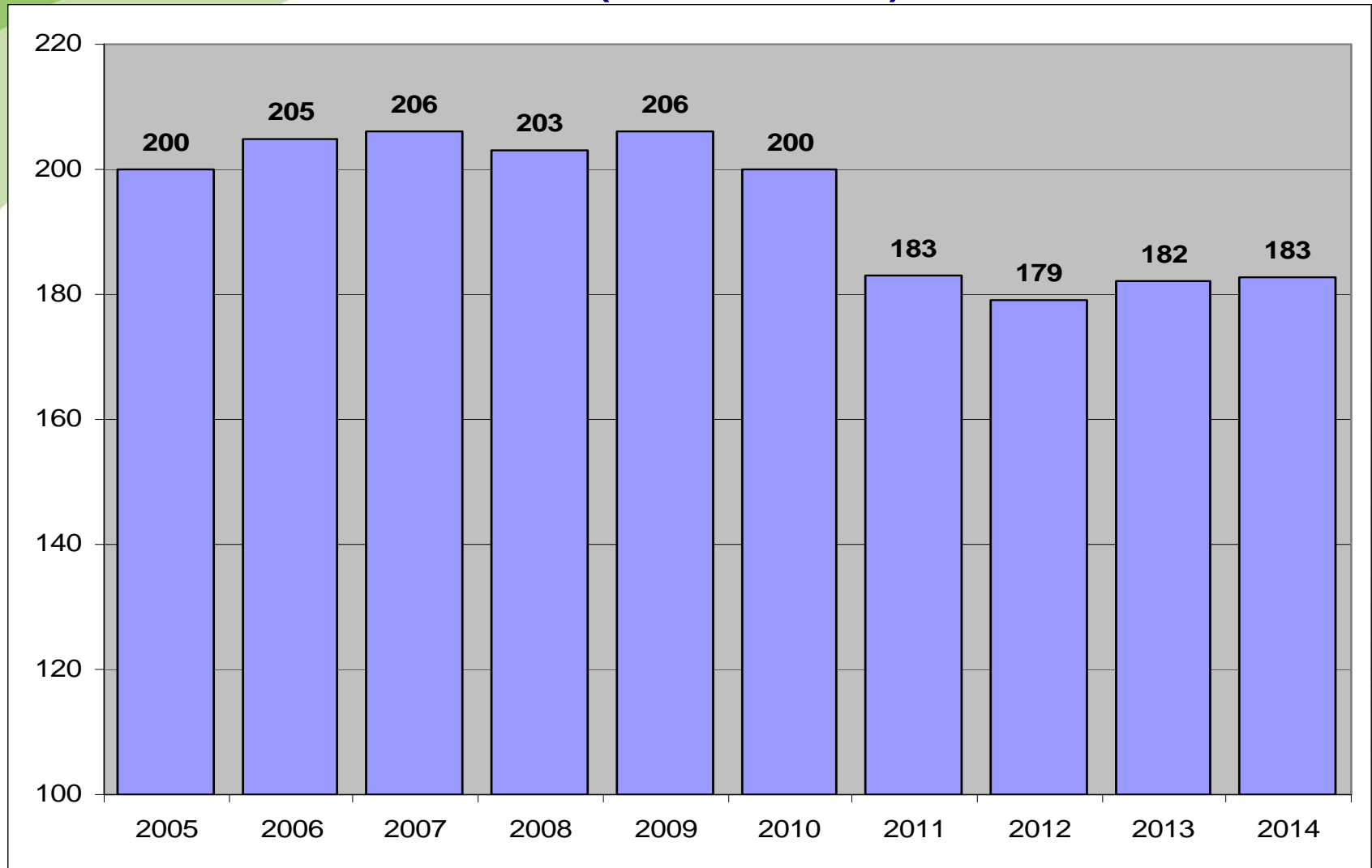
Summary of Operating Budget Changes

Inter Jurisdictional Contracts	\$	439,000
Retirement & Health Benefit		420,000
ALL OTHERS		421,000
	\$	1,280,000

“All Other”: 2% growth overall

Positions Over Time

(General Fund)



Position Changes

(General Fund)

- **Public Safety**
 - New dispatch position
- **Information Technology**
 - New Program/Database administrator
 - Paid for through reductions in IT Budget
 - Negotiated reductions in contract costs
 - Lengthened refresh cycle for hardware
- **Court Services**
 - Loss of Probation Officer (vacancy)
 - Low caseloads in Juvenile Court

Employee Compensation

- **Goals:**
 - Maintain competitiveness within labor market
 - Recruit and retain high performing work force
- **Health Care: \$1.28 M**
 - .1% premium increase for Kaiser
 - 10% premium increase for United Health
- **City Pensions: \$2.05 M**
 - Budget fully funds the “ARC”
 - 16% of payroll
- **Salary**
 - 3% increase proposed



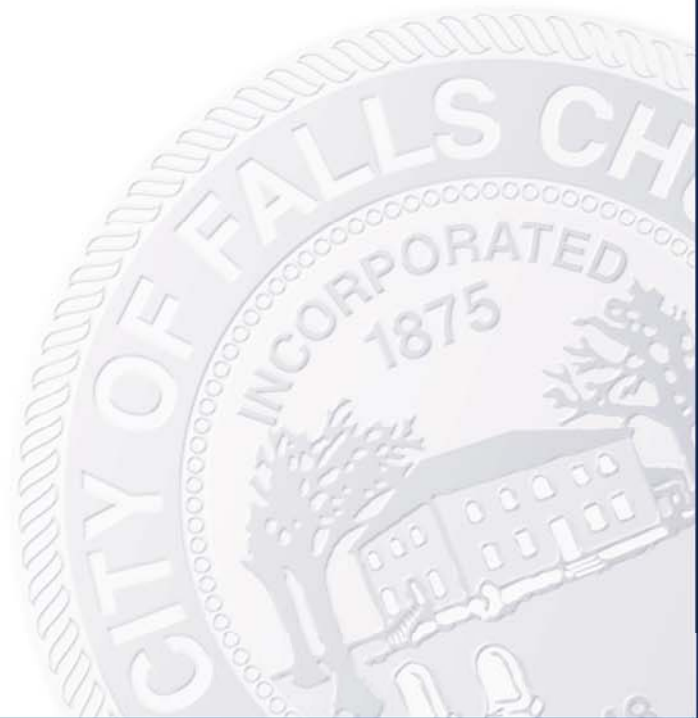
Unmet Needs

- Operating expenses flat for 6 years
- 3.9% growth for FY14
- \$2.6 million in unmet needs
 - \$155k IT reinvestment (5 to 6 year refresh cycle)
 - \$94k Radios Systems: Public Safety and Public Works
 - \$110k Sustainability Coord: Climate Change Initiative
 - \$100k Commercial Appraiser
 - \$80k Additional School Resource Officer
 - \$56k Police Vehicle Maintenance
 - \$560k Public Works Plows and other equipment
 - \$100k Development Services: Area Plan Implementation
 - \$380k Affordable Housing Fund initiative

School Budget



FALLS CHURCH CITY
PUBLIC SCHOOLS





FY2014-2018 Capital Improvements Program

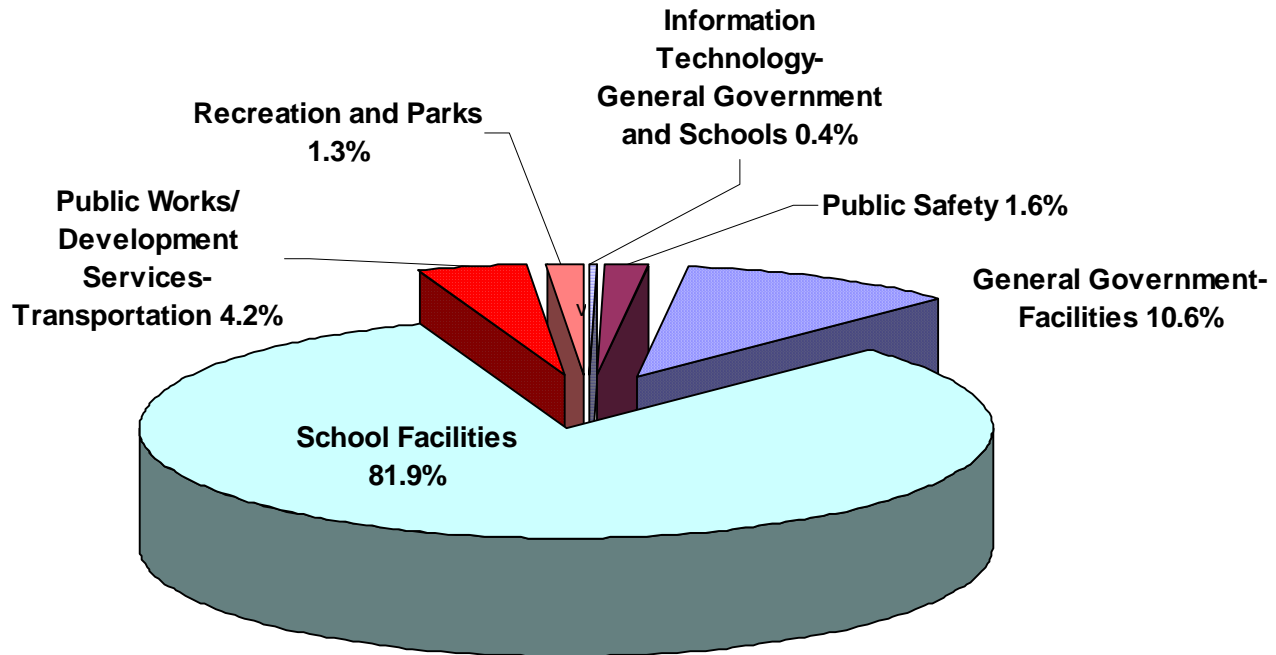


CIP Overarching Goals

- **Financial Planning**
 - **Fund Balance:** at policy target
 - **Capital Reserves:** begun in FY2014 in order to meet long term needs
 - **Debt service:** within policy limits
- **Infrastructure Planning**
 - **Regular re-investment in critical facilities** for education, parks, public safety, library, streets

CIP Funding Category Comparisons

**Capital Improvements Program General Fund FY2014-FY2018
(All Funding Sources)**



Five Year CIP- General Fund

PROJECT	FY2014	Five Years
INFORMATION TECHNOLOGY	\$ 507,500	\$ 507,500
PUBLIC SAFETY	2,058,048	2,258,048
PUBLIC FACILITIES (includes gen govt. & schools)	10,133,500	128,258,790
TRANSPORTATION	2,245,000	5,780,000
PARKS & RECREATION	430,000	1,878,000
TOTAL	\$ 15,374,048	\$ 138,682,338

FY2014 Key Projects

- **Facilities Improvement**
 - Cherry St Pre-School \$2.4 M
 - Schools Mount Daniel \$1.0 M
 - City Hall & Public Safety \$6.7 M
- **Public Safety**
 - Fire Apparatus \$1.5 M
 - Fire Station 6 \$538 K
- **West End Park** \$430 K
- **Transportation** \$2.25 M
 - Pedestrian Improvements
 - Federal and State Funding, with local match

CAPITAL IMPROVEMENTS PROGRAM

General Fund

FUNDING SOURCE	FY2014	Five Years
Grants/Other Funded	\$ 1,100,000	\$3,260,000
Debt	13,674,048	27,647,338
Conditional (grant/revenue)**	0	104,650,000
Pay as you go (PAUG)	600,000	3,125,000

****GMHS and MEHMS School Expansion assumes additional resources being available from economic development and/or Water Sale Agreement**

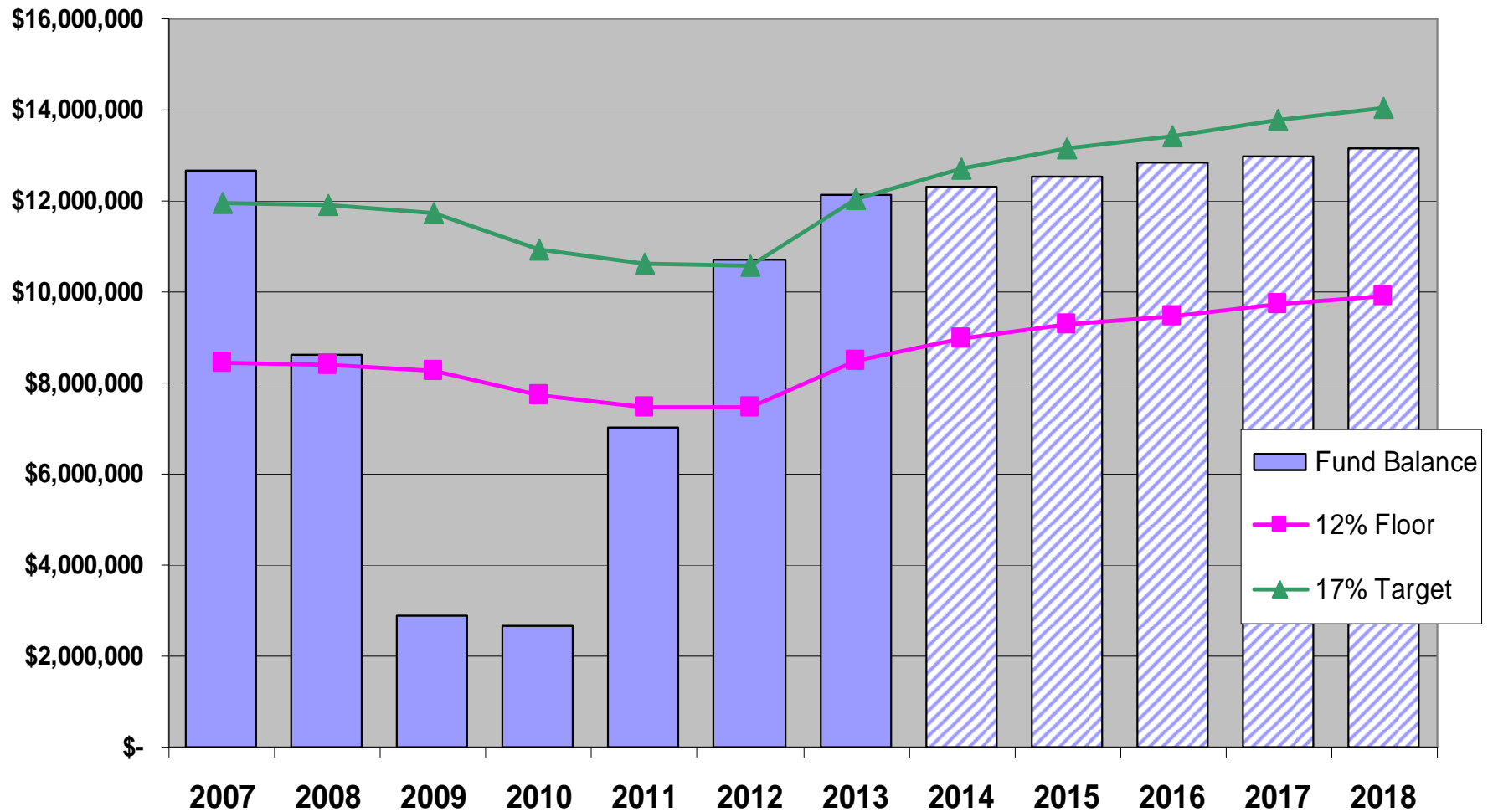
Financial Policy Compliance

Fund Balance

- **FY2014 Budget: \$1.3 million allocation**
 - Capital reserves **\$500,000**
 - “Pay as you go” funding **\$600,000**
 - Restoration of fund balance **\$200,000**

Fund Balance

(Year-End Balances, By Fiscal Year)

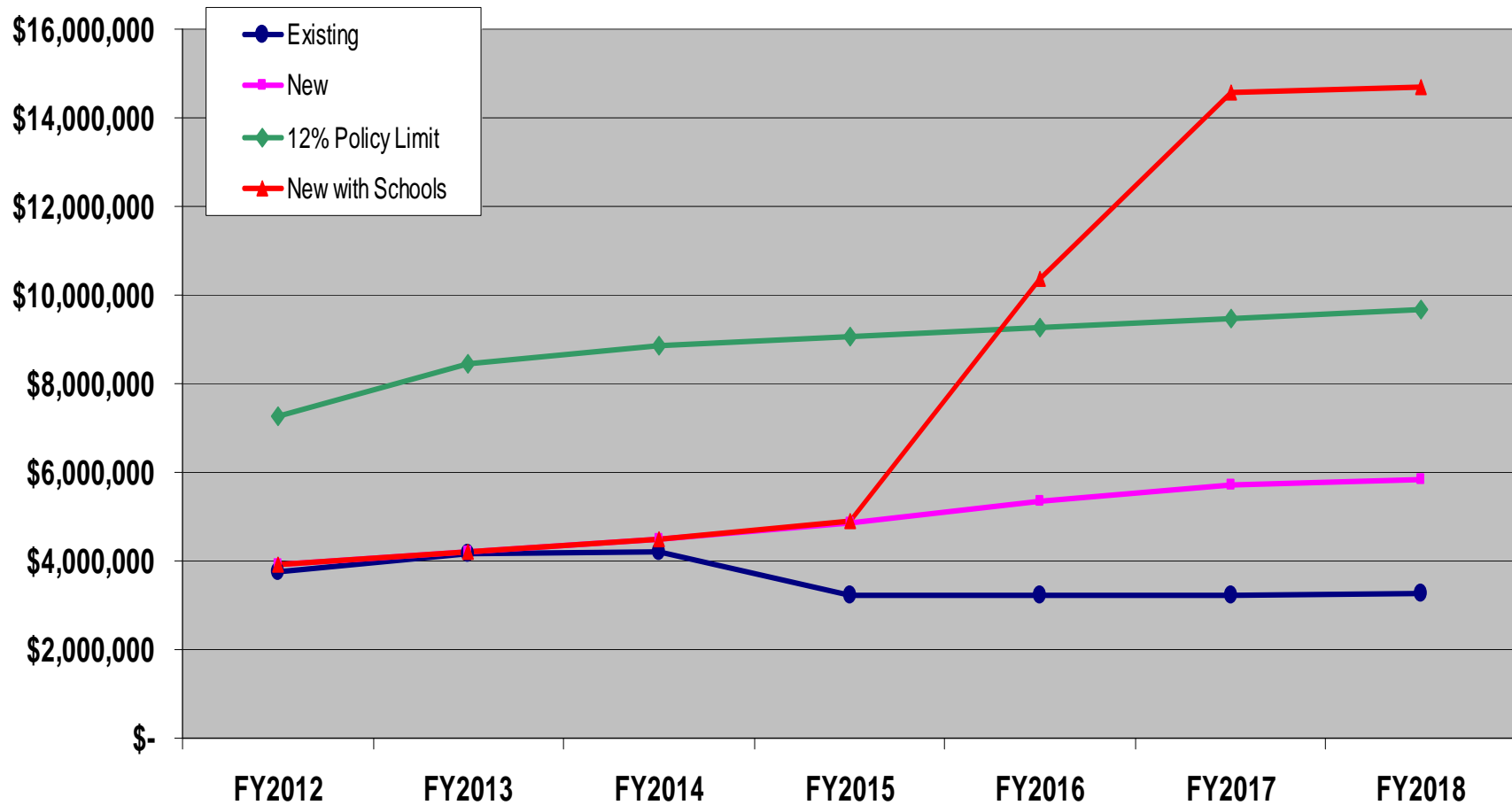


Debt Service

- **FY2014 Debt Service**
 - FY2014 \$226,175 increase
 - 6.0% of annual expenditures
- **Five Year CIP**
 - FY2017: \$1,400,000 increase in debt service, relative to FY2014
 - 7.1% of Annual Expenditures
 - Does not include \$104 million School Projects



Debt Service



Utility Funds

- **Water Rate: no change**
- **Sewer Rate:**
 - Increase from \$7.91 to \$8.62 per 1,000 gallons
 - Sewer Rate Study of 2011
 - EPA mandated treatment plant upgrades
- **Stormwater Fee:**
 - Stormwater costs moved out of General Fund

Storm Water Utility

- **Goals:**
 - Meet federal Chesapeake Bay mandates
 - Mitigate local flooding
 - Repair and replace aging infrastructure
 - Improve water quality
- **FY2014 Budget: \$1.7 million**
- **Proposed: Storm Water Fee**
 - Based on Impervious coverage
 - \$19.80 per 200 square feet
 - Cost for Average Home: \$270 per year
 - Costs removed from General Fund
 - 1 cent reduction in tax rate



Capital Improvements Program Utility Funds FY2014

- **Water Fund**
 - FY14 projects are on hold, pending sale
- **Sewer Fund**
 - \$400,000: rehabilitation of lines
 - \$1,025,000: treatment plant improvements
- **Stormwater Fund**
 - \$1,800,000 stormwater improvements
 - Prioritized in the Watershed Management Plan

Council Budget Guidance

- **General Government expenditures growth is covered by revenues generated solely by economic growth**
 - **Economic growth: 4.1%**
 - **General Government growth: 3.9%**
- **Focus on Infrastructure**
 - **\$15.4 million in Capital Projects (FY2014)**

Tax Rate Recommendation

- FY2014 Budget as presented requires tax rate of \$1.33
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- Unmet Needs
 - \$2.6 million +
- **Advertise Rate:\$1.41 per \$100 assessed value**

Schedule

- **Monday and Thursday Work Sessions**
- **March 16 & April 13: 10 a.m.**

Town Hall Meetings

- **March 27, April 8, April 22:**

Public Hearings

- **April 22: Adopt FY2014 Budget**
- **July 1, 2013: FY2014 Budget in effect**

Public Information & Comment

- All Budget Presentations and data can be found at:

www.fallchurchva.gov/budget

- Send comments to:
budget@fallchurchva.gov

